



PBA Professional Development

Asset Liability Management Seminar

March 20, 2012

8:15 a.m. – 3:45 p.m.

Wildwood Conference Center
One HACC Drive
Harrisburg, PA 17110

*The PBA has been accepted as a program sponsor by
the Pennsylvania State Board of Accountancy.*

*This program qualifies for a total of six (6) hours
of continuing education credit.*

Who Should Attend

This program is an annual event; therefore it is meant to be current and practical, targeted primarily for senior and middle managers, and all members of the ALCO, whether managers or board members (this program would be especially beneficial for board members who serve on ALCO). As such, the following individuals from the bank should consider attending: chief executive officers, chief financial officers, investment managers, asset/liability committee members, board members, lenders, risk managers and any other interested bank personnel.

Program Overview

This program will focus on asset/liability management, and the critical issues bank ALCOs will face in 2012. There are a number of regulatory issues that have or will have an impact on community banks, including the resolution of Fannie Mae and Freddie Mac, loan concentration guidelines and capital standards.

The program will include a discussion of the economy focusing on the state of Pennsylvania. We will look at forecasts of both economic variables and interest rates. The weak economic recovery is affecting both loan demand and loan quality – non accruals are stabilizing in many areas of the country, but OREO continues to increase. Short-term interest rates decreased over 500 basis points between September 2007 and December 2008 and have remained at that level. Most forecasts are now into mid 2013 before Fed Funds increase, but we need to also focus on the 2 year to the 10 year segment of the yield curve. The slope of the curve flattened significantly after the August S&P downgrade of U.S. government securities.

Examiners continue to push for balance sheet and income statement stress testing. The program will explore capital planning including stress testing; liquidity management, including a sample stress test, and interest risk management. The program will explore recent examiner concerns with assumptions used in interest rate risk modeling.

The program will conclude with asset and liability decision making in 2012. With loan demand relatively weak investments will continue to be a priority – let's look at some of the investment options facing banks. We will also look at recent trends in loan pricing and extension risk. Liability management will focus on deposits and the changing attitudes of customers. Effective deposit management at this stage in the cycle must be focused on both the decrease in cost of funds to stabilize margins and the potential impact of rising rates.

Program Schedule

8:15 a.m.	Registration & Refreshments
8:30 a.m.	Program Starts James J. Clarke, Ph.D., Principal Clarke Consulting <ul style="list-style-type: none">• Industry Issues;• Regulatory Changes Impacting ALM;• Business Cycle Trends & Impact on Community Banks; and• Interest Rate Forecast – Will Fed Funds ever increase?
10:30 a.m. – 10:45 a.m.	Refreshment Break
10:30 a.m. – Noon	Managing Bank Risk <ul style="list-style-type: none">• Capital Plans & Stress Testing;• Liquidity Stress Test; and• Regulatory Trends in Interest Rate Risk Management. Managing Assets in the Current Environment <ul style="list-style-type: none">• Loan Portfolio Management- Loan Demand is the Problem; and• Investment Options In The Current Environment – Agency Steps.
Noon	Lunch
1 p.m. – 3 p.m.	Managing Liabilities in the Current Environment <ul style="list-style-type: none">• FHLB Strategies for Lengthening Liability Duration;• Deposit Growth – Where is the Hot Money;• Growth Strategies for 2012 – Leverage; Transactions At This Point in the Cycle;• Deposit Strategies At This Point In The Cycle; and• Challenges Facing ALCO In 2012.
3:45 p.m.	Adjourn

About the Speaker

Dr. James Clarke is the Principal of Clarke Consulting, a Villanova, Pennsylvania firm specializing in ALCO issues and strategic planning for community banks. Jim lectures on asset/liability management at the Stonier National School of Banking sponsored by ABA, the Connecticut and Pennsylvania banking schools, the Southwest Graduate School of Banking, and the New England School of Banking. He conducts ALM seminars for many State associations, and for Risk Management Association (RMA) and Financial Managers Society (FMS). Jim also conducts board education programs on ALM for a number of state associations. In 2010 & 2011 Jim spoke at the RMA convention, the Connecticut, New York and Louisiana Bankers conventions and ABA's Mutual Conference. Dr. Clarke is on the Board of two community banks, and is a Director of an investment company.

Registration Information

Members - \$295

Non-Members - \$442.50

The registration fee includes all seminar sessions, materials, luncheon and breaks. Please mail the enclosed registration form and payment to:

Pennsylvania Bankers Association

Attn: Registrar

3897 North Front Street

Harrisburg, PA 17110

Tel. (717) 255-6900

** You are encouraged to register through the Web site www.pabanker.com.*

*The PBA accepts Visa and Master Card. All credit card payments must be processed through online registration. Please visit <http://www.pabanker.com/eventsInfo/calendar.htm>; find the seminar title and click on register now.

Hotel Information

The Days Inn Harrisburg North, 3919 North Front Street, is holding a block of rooms for seminar attendees. Please call the hotel directly to reserve your room at (717) 233-3100.



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Enclosed is a credit card or check made payable to the Pennsylvania Bankers Association for \$_____ for _____ registration(s) at \$295 per person for members. The non-member fee is \$442.50 per person.

Name _____ Nickname _____

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For database purposes, we request only one (1) registrant per form. Please make additional copies of the registration form as needed. Keep a copy for your records. PBA does not send confirmations. If you have questions, call (717) 255-6900.

NOTE: Registrations are accepted at the member fee for PBA regular, associate and affiliate members and staff of regulatory agencies. All registrations are subject to a 20 percent cancellation fee. A 50 percent retention of the registration fee applies to cancellation requests five (5) to ten (10) business days prior to the seminar date; however, NO refunds will be issued for cancellations made within 5 business days of the seminar date or for "no-shows." All requests for refunds must be made in writing to PBA. All registrations received by any means of communication are subject to this cancellation clause. The PBA does not issue refunds due to weather conditions, Acts of God and/or other causes beyond its reasonable control.

Pennsylvania Bankers Association • 3897 North Front Street
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"Professionals Dedicated to Your Success"

2012 Schedule

March

Analyzing Financial Statements Seminar

March 13 • PBA Office • Harrisburg

Human Resources Seminar

March 15 • PBA Office • Harrisburg

Asset Liability Management Seminar

March 20 • Wildwood Conference Center • Harrisburg

Executive Leadership Session III

March 22 – 23 • PBA Office • Harrisburg

April

PBA Spring Summits

Group 5 - April 9 • Sheraton Harrisburg/Hershey

Group 4 - April 10 • Williamsport Country Club

Group 2 - April 11 • Rivercrest Golf Club & Preserve, Oaks

Group 6 - April 16 • The Calvin House, Duncansville

Group 3 - April 17 • The Westmoreland Club, Wilkes Barre

Group 8 - April 18 • Marriott Pittsburgh N, Cranberry Woods

Advanced Commercial Lending School

April 19 – 20 • PBA Office • Harrisburg

May

Credit Risk Management EXL

May 3 - 4 • PBA Office • Harrisburg

2012 Annual Convention

May 16 – 19 • Fairmont Scottsdale Princess • Scottsdale Arizona

June

School of Banking

June 3 - 8 • Penn Stater • State College

Bankers Day at the Capitol

June 11 • State Capitol • Harrisburg

July

School of Commercial Lending

July 8 - 13 • Penn Stater • State College

Advanced School of Banking

July 15 - 20 • Penn Stater • State College

October

Essentials of Commercial Lending

October 3 - 4 • PBA Office • Harrisburg

Professionals Dedicated to Your Success

Please check the PBA Web site for event & program schedule updates.

www.pabanker.com